

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No. 04-49 (JBS)
	:	
v.	:	18 U.S.C. §§ 371, 1952, 2421,
	:	2422(a) and 2
	:	
COUNG CHI DINH,	:	
a/k/a “Dina Chi Coung,”	:	
a/k/a “Ah Chi,”	:	
a/k/a “Michael,”	:	
XUE PEIPONG,	:	
a/k/a “Wayne Xue,”	:	
a/k/a “Wayne Key,”	:	
MICHAEL CHAU,	:	
a/k/a “Minh Chau,”	:	
KEVIN CHAU,	:	
JAMES KIM,	:	
ALEX LU,	:	
a/k/a “Alex Lun,”	:	
CHRIS LEE, and	:	
ROBERT “LNU”	:	

S U P E R S E D I N G I N D I C T M E N T

The Grand Jury in and for the District of New Jersey, sitting at Camden charges:

COUNT 1

(Conspiracy to Transport Individuals in Furtherance of Prostitution)

The Defendants

1. At all times relevant to this Superseding Indictment:

a. Defendant **COUNG CHI DINH**, a/k/a “**Dina Chi Coung**,” a/k/a “**Ah Chi**,” a/k/a “**Michael**,” was a resident of Philadelphia, Pennsylvania and Brigantine, New Jersey. Defendant **DINH** operated a brothel located at 24th and Washington Streets, Philadelphia, Pennsylvania during the week, and on the weekends conducted an outcall

prostitution business at various casinos in Atlantic City, New Jersey.

b. Defendant **XUE PEIPONG**, a/k/a “**Wayne Xue**,” a/k/a “**Wayne Key**,” was a resident of Egg Harbor Township, New Jersey. Defendant **PEIPONG** was a casino floor host at a hotel and casino located in Atlantic City, New Jersey (“Casino 1”).

c. Defendant **ALEX LU**, a/k/a “**Alex Lun**,” was a resident of Absecon, New Jersey. Defendant **LU** was a casino floor host at Casino 1.

d. Defendant **MICHAEL CHAU**, a/k/a “**Minh Chau**,” was a resident of Egg Harbor Township, New Jersey. Defendant **CHAU** was the Executive Director for Far East Marketing at a hotel and casino located in Atlantic City, New Jersey (“Casino 2”).

e. Defendant **KEVIN CHAU** was a resident of Mays Landing, New Jersey. Defendant **CHAU** was a casino floor host at a hotel and casino located in Atlantic City, New Jersey (“Casino 3”).

f. Defendant **JAMES KIM** was a resident of Egg Harbor Township, New Jersey. Defendant **KIM** was the Executive Director for Far East Marketing at Casino 3.

g. Defendant **CHRIS LEE** was a resident of Atlantic City, New Jersey. Defendant **LEE** was a casino floor host at a hotel and casino located in Atlantic City, New Jersey (“Casino 4”).

h. Defendant **ROBERT “LNU,”** served as a broker in Malaysia who recruited Asian women for travel to the United States to engage in prostitution.

The Brothels and Outcall Prostitution Business

2. At all times relevant to this Superseding Indictment, brothels and outcall

prostitution businesses generally operated in the following manner. A broker would recruit women interested in traveling to the United States for the purpose of engaging in prostitution. Upon arrival in the United States, the broker would direct women to contact an agent. The agent would be part of a nationwide network of brokers, agents and brothel owners engaged in prostitution-related activities. The agent would arrange placement locations around the country for the women to work. The agent would then be paid a commission for each customer the prostitute serviced.

3. Agents and brothel owners often communicated via telephone. The agent would arrange for travel of the women engaged in prostitution. In addition, the agent would also collect money from the prostitute to pay the broker. The money was designed to reimburse the broker for the airfare, travel arrangements and commission for each customer the prostitute serviced. The agent would typically wire the money or instruct the prostitute to wire the money to the broker.

The Conspiracy

4. Beginning from at least as early as in or about September 2002, and continuing to in or about September 2003, in the District of New Jersey, and elsewhere, defendants

COUNG CHI DINH, a/k/a "Dina Chi Coung," a/k/a "Ah Chi," a/k/a "Michael,"
XUE PEIPONG, a/k/a "Wayne Xue," a/k/a "Wayne Key,"
MICHAEL CHAU, a/k/a "Minh Chau,"
KEVIN CHAU,
JAMES KIM,
ALEX LU, a/k/a "Alex Lun,"
CHRIS LEE,
and
ROBERT "LNU"

did knowingly and willfully conspire and agree with each other and with others to: transport individuals in interstate and foreign commerce, with intent that such individuals engage in prostitution, contrary to Title 18, United States Code, Section 2421; persuade, induce, entice, and coerce individuals to travel in interstate and foreign commerce, to engage in prostitution, contrary to Title 18, United States Code, Section 2422(a); travel in interstate and foreign commerce, and to use facilities in interstate and foreign commerce, that is, the interstate telephone wires, with intent to distribute the proceeds of unlawful activity, and to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on, of unlawful activity, that is, prostitution, contrary to Title 18, United States Code, Sections 2421 and 2422(a), and thereafter to perform and attempt to perform acts in furtherance thereof, contrary to Title 18, United States Code, Section 1952.

Object of the Conspiracy

5. It was the object of the conspiracy to recruit and transport young Asian women to engage in prostitution at various casinos in Atlantic City, New Jersey in return for profit.

Manner and Means of the Conspiracy

6. It was part of the conspiracy that defendant **ROBERT “LNU”** identified and recruited women in Malaysia to travel to the United States to engage in prostitution. For this service, defendant **ROBERT “LNU”** received a commission from the women for every customer they serviced.

7. It was further part of the conspiracy that defendant **COUNG CHI DINH** and

D.G.S. operated a brothel located at 24th and Washington Streets, Philadelphia, Pennsylvania.

8. It was further part of the conspiracy that on weekends defendant **COUNG CHI DINH** operated an outcall prostitution business from his house located at 5108-B Ontario Drive, Brigantine, New Jersey.

9. It was further part of the conspiracy that defendant **COUNG CHI DINH** acted as the agent for prostitutes, including prostitutes sent to the United States by defendant **ROBERT “LNU.”**

10. It was further part of the conspiracy that defendant **COUNG CHI DINH** would travel between Philadelphia, Pennsylvania and Atlantic City, New Jersey with women who would prostitute themselves in the Atlantic City casinos.

11. It was further part of the conspiracy that defendant **COUNG CHI DINH** would direct prostitutes working for him to travel, generally by bus, from various cities, including New York, New York, Boston, Massachusetts, and Washington, D.C. to Atlantic City, New Jersey where they would be met at the casino bus terminals.

12. It was further part of the conspiracy that defendants **XUE PEIPONG, MICHAEL CHAU, KEVIN CHAU, JAMES KIM, ALEX LU, and CHRIS LEE**, who were all employees of Atlantic City, New Jersey casinos, arranged prostitution services for their customers through defendant **COUNG CHI DINH**.

13. It was further part of the conspiracy that defendant **COUNG CHI DINH** received a commission from each prostitute for every customer that the woman serviced.

OVERT ACTS

In furtherance of the conspiracy and to effect its unlawful objects, defendants **COUNG CHI DINH, XUE PEIPONG, MICHAEL CHAU, KEVIN CHAU, JAMES KIM, ALEX LU, CHRIS LEE, and ROBERT “LNU”** committed and caused to be committed the following overt acts in the District of New Jersey and elsewhere:

1. On or about October 12, 2002, defendant **COUNG CHI DINH** drove an Asian female to an Atlantic City hotel and casino (“Casino 5”).

2. On or about October 12, 2002, defendant **COUNG CHI DINH** drove an Asian female to an Atlantic City hotel and casino (“Casino 6”).

3. On or about November 24, 2003, defendant **COUNG CHI DINH** dropped an Asian female off at an Atlantic City hotel and casino (“Casino 7”). The unknown female subsequently showed the elevator guard a room key and proceeded to the ninth floor.

4. On or about March 15, 2003, defendant **COUNG CHI DINH** drove an Asian female to Casino 5 where she went into a guest’s room.

5. On or about May 18, 2003, defendant **COUNG CHI DINH** drove an Asian female to Casino 2. The Asian female was met in the lobby by an Asian male and proceeded to a controlled access point reserved for high rollers.

6. On or about May 18, 2003, defendant **COUNG CHI DINH** traveled from “Far East Massage Parlor” in Atlantic City where he picked up an Asian female and drove her to Casino 2.

7. On or about July 10, 2003, defendant **COUNG CHI DINH** called an Asian female identified as “Flora.” Defendant **COUNG CHI DINH** told her that he had arranged for her to go to Atlantic City and Philadelphia. Defendant **DINH** then instructed her to take the bus

from Chinatown to Atlantic City.

8. On or about July 11, 2003, two Asian females arrived at the Casino 5 bus terminal, where they were met by J.S., who drove the women to defendant **COUNG CHI DINH**'s house.

9. On or about July 11, 2003, defendant **COUNG CHI DINH** called defendant **CHRIS LEE** and asked if the customer was in the room yet.

10. On or about July 12, 2003, defendant **COUNG CHI DINH** called defendant **KEVIN CHAU** who asked if defendant **DINH** had "nice women" available. Defendant **CHAU** then told defendant **DINH** that a customer in room 4999 wanted a woman as soon as possible.

11. On or about July 18, 2003, defendant **COUNG CHI DINH** met an Asian female who arrived at the Casino 5 bus terminal.

12. On or about July 18, 2003, defendant **COUNG CHI DINH** met an Asian female who arrived at the Casino 2 bus terminal.

13. On or about July 20, 2003, defendant **COUNG CHI DINH** called defendant **MICHAEL CHAU** who asked defendant **DINH** to send a woman to room 5102. Defendant **CHAU** told defendant **DINH** to have the woman pick up the key at his office so that she could go up to the room by herself.

14. On or about July 20, 2003, defendant **CHRIS LEE** called defendant **COUNG CHI DINH** and asked him to bring one woman over to room 732.

15. On or about July 23, 2003, defendant **COUNG CHI DINH** received a call from defendant **ROBERT "LNU"** who asked defendant **DINH** if he, defendant **DINH**, "sent out the \$2,000" payment from the women.

16. On or about July 25, 2003, defendant **COUNG CHI DINH** called M.C., another broker, and asked that M.C. send "Cindy" to Atlantic City tonight and send the other women to Philadelphia tomorrow. Defendant **DINH** then told M.C. to send both women to Atlantic City.

17. On or about July 25, 2003, defendant **COUNG CHI DINH** placed a call to an Asian woman, identified as "Sasa." "Sasa" told defendant **DINH** that she was on the bus and would be arriving at an Atlantic City hotel and casino ("Casino 8"). Defendant **DINH** told her to get some rest because they were going to work all night.

18. On or about July 25, 2003, an Asian female arrived at the Casino 8 bus terminal and was met by J.S. who drove the Asian female to defendant **COUNG CHI DINH**'s house.

19. On or about July 26, 2003, defendant **COUNG CHI DINH** and D.G.S. opened a brothel at 24th and Washington Streets, Philadelphia, Pennsylvania.

20. On or about July 26, 2003, defendant **JAMES KIM** called defendant **COUNG CHI DINH** and told him that he had a customer and asked how many women he had available. When defendant **DINH** told him two, defendant **KIM** told him to bring them both over so the customer could choose.

21. On or about July 27, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH** and told him "2:30 a .m. at room 1032" and the customer's last name.

22. On or about July 27, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH** and asked if he could send the same woman from last night to his customer in room 1034.

23. On or about August 1, 2003, defendant **COUNG CHI DINH** met an Asian female that arrived at the Casino 8 bus terminal.

24. On or about August 2, 2003, defendant **JAMES KIM** called defendant **COUNG**

CHI DINH and asked how many women defendant **DINH** had available.

25. On or about August 2, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH** and asked him to call the customer in room 501 before he sent the woman.

26. On or about August 3, 2003, defendant **XUE PEIPONG** called defendant **COUNG CHI DINH** and asked him to go to Casino 2, room 1834 for his customer.

27. On or about August 3, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH**. Defendant **DINH** told defendant **LU** that he was driving the “Malay” woman over to room 567 and asked defendant **LU** to tell the customer to go up to the room right away.

28. On or about August 3, 2003, defendant **CHRIS LEE** called defendant **COUNG CHI DINH** and told him to go to room 1834.

29. On or about August 10, 2003, defendant **COUNG CHI DINH** called defendant **XUE PEIPONG** and asked why the customer was not in his room yet.

30. On or about August 11, 2003, defendant **COUNG CHI DINH** received a call from defendant **ROBERT “LNU”** who told defendant **DINH** that “Kris” would be arriving at John F. Kennedy International Airport on August 12, 2003 on Singapore Airlines.

31. On or about August 11, 2003, defendant **COUNG CHI DINH** arranged for “Kris,” who was arriving in New York, to be driven to his brothel in Philadelphia, Pennsylvania.

32. On or about August 16, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH** and told him that he wanted a “nice woman” for room 1144.

33. On or about August 16, 2003, defendant **COUNG CHI DINH** called defendant **CHRIS LEE**. Defendant **COUNG CHI DINH** asked if the Korean customer was there yet. Defendant **CHRIS LEE** said “yes,” and told him that the customer would call him later.

34. On or about August 18, 2003, defendant **JAMES KIM** called defendant **COUNG CHI DINH** and asked if he and his friend could come over.

35. On or about August 22, 2003, defendant **COUNG CHI DINH** met two Asian females who arrived at the Casino 8 bus terminal.

36. On or about August 23, 2003, defendant **XUE PEIPONG** called defendant **COUNG CHI DINH** and asked if he had any women because his customer was now in room 831 and wanted to have her now.

37. On or about August 24, 2003, defendant **COUNG CHI DINH** received a call from defendant **MICHAEL CHAU** who told defendant **DINH** that he needed a woman sent to room 2220.

38. On or about August 29, 2003, defendant **COUNG CHI DINH** met an Asian female who arrived at the Casino 8 bus terminal.

39. On or about August 30, 2003, defendant **JAMES KIM** called defendant **COUNG CHI DINH** and asked him for two “nice young women.”

40. On or about September 1, 2003, defendant **CHRIS LEE** called defendant **COUNG CHI DINH** and asked for some women.

41. On or about September 3, 2003, defendant **XUE PEIPONG** called defendant **COUNG CHI DINH** and asked if he could find any women for him.

42. On or about September 3, 2003, defendant **COUNG CHI DINH** called defendant **XUE PEIPONG** who told defendant **DINH** to bring two women over to room 401.

43. On or about September 7, 2003, defendant **MICHAEL CHAU** called defendant **COUNG CHI DINH** and asked defendant **DINH** to send a woman to room 5003.

44. On or about September 7, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH** and asked him if he had women available. Defendant **ALEX LU** then asked defendant **DINH** to send one to room 1138.

45. On or about September 7, 2003, defendant **CHRIS LEE** called defendant **COUNG CHI DINH** and asked him to take a woman to room 1423.

46. On or about September 7, 2003, defendant **XUE PEIPONG** called defendant **COUNG CHI DINH** and asked him to send a woman to room 711.

47. On or about September 7, 2003, defendant **ALEX LU** called defendant **COUNG CHI DINH** and asked if the Malaysian woman was available. When defendant **COUNG CHI DINH** indicated that she was, defendant **ALEX LU** told him to send her to room 1138.

48. On or about September 12, 2003, defendant **COUNG CHI DINH** met an Asian female who arrived at the Casino 5 bus terminal.

49. On or about September 12, 2003, defendant **XUE PEIPONG** called defendant **COUNG CHI DINH** and asked him if he had any women available.

50. On or about September 14, 2003, defendant **COUNG CHI DINH** called defendant **ROBERT "LNU"** to tell him that he, defendant **DINH**, would send the money.

In violation of Title 18, United States Code, Section 371.

COUNTS 2 - 3
(Interstate Transportation in Furtherance of Prostitution)

1. Paragraphs 1 through 3 and 5 through 13 of Count 1 are hereby realleged and incorporated as though set forth in full herein.

2. On or about the following dates, in Atlantic County, in the District of New Jersey and elsewhere, defendant

COUNG CHI DINH,
a/k/a "Dina Chi Coung,"
a/k/a "Ah Chi,"
a/k/a "Michael,"

knowingly and willfully transported an individual, identified below, in interstate commerce, as described below, with intent that such individual engage in prostitution, and in any sexual activity for which any person can be charged with a criminal offense in the State of New Jersey:

COUNT	DATE	INDIVIDUAL	DEPARTURE/ARRIVAL
2	7/13/03	Jane Doe 1 ("Flora")	Atlantic City to Philadelphia
3	8/1/03	Jane Doe 2 ("Kris")	Philadelphia to Atlantic City

In violation of Title 18, United States Code, Sections 2421 and 2.

COUNTS 4 - 15
(Enticement to Travel Interstate in Furtherance of Prostitution)

1. Paragraphs 1 through 3 and 5 through 13 of Count 1 are hereby realleged and incorporated as though set forth in full herein.

2. On or about the following dates, in Atlantic County, in the District of New Jersey and elsewhere, defendant

COUNG CHI DINH,
a/k/a "Dina Chi Coung,"
a/k/a "Ah Chi,"
a/k/a "Michael,"

knowingly and willfully persuaded, induced, enticed, and coerced an individual, identified below, to travel in interstate commerce, namely, from New York, New York to Atlantic City, New Jersey, to engage in prostitution and in any sexual activity for which any person can be charged with a criminal offense in the State of New Jersey:

COUNT	DATE	INDIVIDUAL
4	7/3/03	Jane Doe 3 ("Naomi") Jane Doe 4 ("Cindy")
5	7/4/03	Jane Doe 5 ("Angie")
6	7/11/03	Jane Doe 6 (S.W.) Jane Doe 1 ("Flora")
7	7/18/03	Jane Doe 7 Jane Doe 8
8	7/25/03	Jane Doe 9 ("Sasa") Jane Doe 10
9	8/1/03	Jane Doe 9 ("Sasa") Jane Doe 10 Jane Doe 11
10	8/8/03	Jane Doe 12 ("Jessie")

11	8/9/03	Jane Doe 13 (“Tiffany”)
12	8/15/03	Jane Doe 14 Jane Doe 10
13	8/22/03	Jane Doe 4 (“Cindy”) Jane Doe 15 (“Nana”)
14	8/29/03	Jane Doe 16 (“Cindy”) Jane Doe 17
15	9/12/03	Jane Doe 2 (“Kris”) Jane Doe 18 (“Honey”)

In violation of Title 18, United States Code, Sections 2422(a) and 2.

COUNT 16

(Enticement to Travel Interstate in Furtherance of Prostitution)

1. Paragraphs 1 through 3 and 5 through 13 of Count 1 are hereby realleged and incorporated as though set forth in full herein.

2. From in or about July 2003, to in or about September 2003, in Atlantic County, in the District of New Jersey and elsewhere, defendant

ROBERT “LNU”

knowingly and willfully persuaded, induced, enticed, and coerced an individual “Kris,” to travel in interstate and foreign commerce, namely, from Malaysia to Atlantic City, New Jersey to engage in prostitution and in any sexual activity for which any person can be charged with a criminal offense in the State of New Jersey.

In violation of Title 18, United States Code, Sections 2422(a) and 2.

COUNTS 17-24
(Interstate Travel in Aid of Racketeering)

1. Paragraphs 1 through 3 and 5 through 13 of Count 1 are hereby realleged and incorporated as though set forth in full herein.

2. On or about the following dates, in Atlantic County, in the District of New Jersey and elsewhere, the defendants set forth below did knowingly and willfully use and cause to be used a facility in interstate commerce, that is, a telephone as described below, with intent to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely interstate prostitution, contrary to Title 18, United States Code, Sections 2421 and 2422(a), and thereafter did perform and attempt to perform acts to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of said unlawful activity:

COUNT	DATE	DEFENDANT	INTERSTATE FACILITY
17	8/13/03	Coung Chi Dinh	267-303-0867
18	8/10/03	Xue Peipong	917-838-2721
19	7/20/03	Michael Chau	609-449-1000
20	7/12/03	Kevin Chau	609-236-6190
21	8/30/03	James Kim	908-461-0878
22	7/27/03	Alex Lu	917-270-2036
23	7/20/03	Chris Lee	609-204-1936
24	8/4/03	Robert "LNU"	901-233-0701

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
United States Attorney